

SENATE BILL 42
By Cooper J

AN ACT to amend Tennessee Code Annotated, Section 8-36-124,
relative to improving the retirement benefits of kindergarten
through twelfth grade public school teachers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 8-36-124, is amended by adding the
following as a new, appropriately designated subsection:

() If the board of trustees determines, after reviewing the actuarial valuation as
of July 1, 2003, that the recommended employer contribution rate for teachers is less
than the rate in effect on June 30, 2003, any excess appropriation contained in the
General Appropriations Act resulting from the reduction in annual employer teacher
contribution requirements for the fiscal year ending June 30, 2004, shall be utilized by
the board of trustees to increase the amount of any base benefit improvement adopted
pursuant to subdivision (a)(3) of this section to seven and one-half percent (7.5%),
subject to the following terms and conditions:

(1) Any such percentage increase shall be phased in through equal one
and one-half percent (1.5%) increments over a period of five (5) years,
commencing on January 1, 2004, and on each succeeding January 1 until
January 1, 2008;

(2) The percentage increase shall only apply to active and retired kindergarten through twelfth grade (K-12) public school teachers who are receiving benefits under either the Tennessee consolidated retirement system, the superseded state teachers' retirement system or Chapter 39, Part 1 of this title. For purposes of this subsection, the term "teacher" shall have the same definition as used under the applicable retirement system from which the retired teacher is receiving benefits;

(3) The increase provided by this subsection shall not be paid retroactively, but shall become effective on January 1, 2004; and

(4) The provisions of Sections 8-36-102 and 8-36-208(a) shall not be construed to prevent any increase in the retirement allowance of a retired teacher when such increase is in accordance with this subsection.

SECTION 2. The provisions of this act shall be subject to funding being provided in the General Appropriations Act.

SECTION 3. This act shall take effect upon becoming a law, the public welfare requiring it.